



SAN DIEGO
HOUSING
COMMISSION

MEMORANDUM

Date: March 14, 2016

To: Honorable Rules Committee Chair City Council President Sherri Lightner and members of the Rules Committee
For the Committee Agenda of March 23, 2016

From: Richard C. Gentry *RCG*
President & CEO
San Diego Housing Commission

Subject: Article 34 Proposed Ballot Measure

The San Diego Housing Commission (SDHC) is recommending that a proposed ballot measure be placed on the November 2016 ballot to increase the capacity to construct low-rent housing in the city of San Diego, in compliance with Article 34 of the State Constitution, which was adopted by voters on November 7, 1950.

This proposed ballot measure requires approval by a simple majority (50% plus one vote) of the voters to pass.

The San Diego City Council has authorized prior ballot measures in 1972 (500 units), 1976 (2,500 units), 1981 (2,500 units), and 2002 (5,000 units) to allow for the potential construction of a total of up to 10,500 units of low-rent housing in the city. San Diego voters approved all four ballot measures.

With only 3,247 units of capacity left to reach our 10,500 limit, I have instructed my staff to work with the City Attorney's Office to draft a proposed ballot measure that would create the capacity for up to 10,000 additional affordable rental units for low-income families in the city.

All developments that are subject to Article 34 must still go through the permit process with full environmental and community review.

The ballot initiative will be prepared by the City Attorney's Office, as it has done in the past.

The proposed ballot measure will be presented to the City Council Rules Committee and the City Council.

The measure involves no new taxes. So, we are hopeful for the same kind of broad support that a similar ballot measure received in 2002, which passed with nearly 70 percent of the vote.

Without this additional capacity, it is possible that the construction of low-income housing units supported by government financing or assistance could be halted in the City of San Diego.

The approval of the proposed ballot measure would not guarantee that any new units would be constructed. However, it would allow for such units to be constructed if the developments are subsequently approved by the City Council.

The proposed ballot measure would have no fiscal impact on the City of San Diego.

In the 2002 election, ballot arguments in support of the measure were signed by representatives of the League of Women Voters of San Diego, the San Diego Regional Chamber of Commerce and the San Diego County Taxpayers Association, as well as the San Diego Mayor and SDHC's Chairman of the Board. No arguments were submitted in opposition.

The following is the general form of the 2002 ballot measure:

2002 BALLOT MEASURE – GENERAL FORM – BALLOT LANGUAGE

PROP A - AFFORDABLE HOUSING FOR THE CITY OF SAN DIEGO.

Do voters authorize the potential development, construction, and/or acquisition of up to 5,000 low-rent apartments and town homes scattered throughout the City for seniors, families, and persons with disabilities earning lower incomes? Any affirmative vote on this measure has no fiscal impact, nor does it grant approval for any specific project, as each would go through the public review process.

This proposition requires approval by a simple majority (50% plus one vote) of the voters to pass.

OFFICIAL TITLE AND SUMMARY PREPARED BY THE CITY ATTORNEY

VOTER APPROVAL FOR LOW RENT HOUSING IN THE CITY OF SAN DIEGO

Shall the voters approve the potential development, construction and/or acquisition of up to 5,000 low rent housing units throughout the City of San Diego, with specific projects requiring further approval and a public review process?

CITY ATTORNEY'S IMPARTIAL ANALYSIS

On November 7, 1950, the voters of the State of California adopted Article 34 of the California Constitution, entitled the Public Housing Project Law, which requires approval by a majority of City electors for the development, construction, or acquisition of low rent housing in the City by a state or local public agency. Article 34 defines "low rent housing" as any development composed of urban or rural dwellings, apartments, or other living accommodations for persons of low income, which is financed in whole or part by public funds or which receives another form of assistance from a public agency, such as labor. The voter approval requirement of Article 34 does not apply to projects designed, planned, financed, constructed and owned by a private entity. The California Supreme Court has held that the voter approval required by Article 34 can be satisfied by a vote granting authority for a designated maximum number of housing units, without having voters approve each specific project.

The City Council has authorized the placement on the ballot of a proposition seeking voter approval pursuant to Article 34 for the development, construction or acquisition of up to 5,000 low rent housing units in the City for persons of low income. A vote in favor of the measure will not have any fiscal impact and will not grant approval for any specific project. Specific low rent housing projects in the City would be subject to further approval and a public review process.

This ballot measure will take effect if passed by a majority of the City's voters.

CITY MANAGER'S FISCAL ANALYSIS

Fiscal Analysis:

A review and analysis of related documentation has been performed, and it has been determined that the proposed ballot measure does not require the development of housing or expenditure of public funds, therefore, it carries no fiscal impact.

Fiscal Impact Statement:

Approval of this measure has no fiscal impact, nor does it grant approval for any specific project, as each would go through the public review process.

ARGUMENT IN FAVOR OF PROPOSITION A

There is a shortage of affordable housing in San Diego. This ballot measure, if approved, will help provide housing for low income seniors, families and persons with disabilities.

Please vote YES on Proposition A. Here are the facts:

This proposition is presented to the voters because of Article 34 of the California Constitution, which requires that local voters authorize the "development, construction, or acquisition of low rent housing" prior to it being produced.

The voters approved Article 34 ballot measures in 1972, 1976, and 1981, for a total of 5,500 units. The city is nearing that limit after 21 years. Its population has grown significantly, and up

to 5,000 more apartments and townhomes may be needed for lower income seniors, persons with disabilities, and families. In serving those needs, the entire housing shortage is reduced, so San Diegans at all economic levels benefit.

It is important to know:

- Passage of this measure will not require the use of local tax dollars.
- All developments that fall within Article 34 standards will still have to go through the permit process with full environmental and community review.
- Passage will allow the City to apply for and use state and federal funds for housing programs.
- Without voter approval, San Diego's housing problem may worsen. The City may lose the ability to take advantage of any state and local housing funds that may become available, thereby giving up its fair share of that funding.

Please vote YES on Proposition A.

BERYL FLOM
Co-President
League of Women Voters of San Diego

MARY E. BALL
President
San Diego County Taxpayers Association

JESSIE KNIGHT
San Diego Regional Chamber of Commerce

SAL SALAS
Chairman of the Board
San Diego Housing Commission

DICK MURPHY
Mayor
City of San Diego

ARGUMENT AGAINST PROPOSITION A

No argument against the proposition was filed in the office of the City Clerk.